

LAW REFORM COMMISSION OF SASKATCHEWAN

FINANCIAL STATEMENTS

For the Year Ended March 31, 2009



Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Law Reform Commission of Saskatchewan as at March 31, 2009 and the statements of operations and changes in net assets and cash flows for the year then ended. The Commission's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 18, 2009

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

**LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF FINANCIAL POSITION
As at March 31**

	<u>2009</u>	<u>2008</u>
ASSETS		
Current		
Cash	\$ 44,466	\$ 21,947
Short-term investments (Note 3)	100,000	100,000
Accounts receivable	13	1,339
Prepaid expense	<u>1,436</u>	<u>1,458</u>
Total Assets	<u>\$ 145,915</u>	<u>\$ 124,744</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 341	\$ 2,297
Net Assets		
Unrestricted net assets	<u>145,574</u>	<u>122,447</u>
Total Net Assets (Statement 2)	<u>145,574</u>	<u>122,447</u>
Total Liabilities and Net Assets	<u>\$ 145,915</u>	<u>\$ 124,744</u>

(See accompanying notes to the financial statements)

Statement 2

**LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
Year Ended March 31**

	Budget	2009	2008
Revenue			
Ministry of Justice and Attorney General grant	\$ 60,000	\$ 60,000	\$ 60,000
Law Foundation grant (Note 5)	60,000	60,000	60,000
Interest and miscellaneous	---	1,794	3,921
	<u>120,000</u>	<u>121,794</u>	<u>123,921</u>
Expenses			
Salaries and employee benefits	78,700	73,687	74,415
Consulting fees	---	---	13,000
Conference and travel expense	12,730	3,284	10,413
Commissioners' honoraria	10,300	6,514	7,340
Professional services	---	1,010	7,280
Office supplies and services	13,800	11,537	5,508
Professional fees	---	1,734	1,593
Miscellaneous	---	901	668
	<u>115,530</u>	<u>98,667</u>	<u>120,217</u>
Excess of revenues over expenses	<u>\$ 4,470</u>	<u>23,127</u>	<u>3,704</u>
Net assets, beginning of year		<u>122,447</u>	<u>118,743</u>
Net assets, end of year	<u>\$ 145,574</u>	<u>\$ 122,447</u>	

(See accompanying notes to the financial statements)

Statement 3

**LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF CASH FLOWS
Year Ended March 31**

	<u>2009</u>	<u>2008</u>
Cash flows from (used in) operating activities		
Ministry of Justice and Attorney General grant	\$ 60,000	\$ 60,000
Law Foundation grant	60,000	60,000
Interest received	2,810	3,608
Cash paid to suppliers and employees	<u>(100,291)</u>	<u>(122,055)</u>
Cash provided by operating activities	<u>22,519</u>	<u>1,553</u>
Cash flows from (used in) investing activities		
Purchase of short-term investments	(100,000)	(100,000)
Proceeds from disposal and redemption of investments	<u>100,000</u>	<u>100,000</u>
Cash used in investing activities	---	---
Increase in cash	22,519	1,553
Cash, beginning of year	<u>21,947</u>	<u>20,394</u>
Cash, end of year	<u>\$ 44,466</u>	<u>\$ 21,947</u>

(See accompanying notes to the financial statements)

LAW REFORM COMMISSION OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2009

1. Incorporation

The Law Reform Commission Act was amended effective November 6, 1987. At that date the Commission became a body corporate and continued the operations of the Law Reform Commission of Saskatchewan.

The purpose of the Commission is to review all the laws of the Province with a view to its systematic development and reform and generally the simplification and modernization of the law.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a) Revenue Recognition

The Commission follows the deferral method of accounting and recognizes unrestricted contributions as revenue when received or receivable.

b) Financial Instruments

Classification

The Commission's financial instruments and their classification are as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash	Held for trading
Short-term investments	Held for trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities

Held for trading financial assets and liabilities are measured at fair value and changes in their fair value are recognized in the Statement of Operations and Changes in Net Assets. Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. Loans and receivables and other financial liabilities are measured at amortized cost. Due to their short term nature, the amortized cost of these instruments approximates their fair value.

Significant terms and conditions

There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows.

Interest rate risk

The Commission is exposed to interest rate risk when the value of its financial instruments fluctuates due to changes in market interest rates.

The Commission does not have any long-term investments that may be affected by market pressures.

The Commission's receivables and payables are non-interest bearing

Credit risk

The Commission is exposed to credit risk from potential non-payment of accounts receivable or investment income and principal.

The Commission rarely has accounts receivable. Most of the Commission's receivables are from provincial agencies and commission members; therefore credit risk is minimal.

All investments are purchased from and held with major banks; therefore, credit risk for investments and related accrued interest receivable is minimal.

c) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. Short-term Investments

Short-term investments consist of a guaranteed income certificate with an effective interest rate of 0.4% (2008 – 3.8%).

4. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Commission by virtue of common control by the Government of Saskatchewan and non-Crown agencies subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as related parties).

Routine operating transactions with related parties are recorded at agreed upon exchange amounts and settled under normal trade terms.

The Commission contracted for accounting and administrative services from relatives of the former chairperson, whose term ended on December 3, 2008, totalling \$1,486 (2007-08 - \$2,056).

Other related party transactions at year-end are as follows:

	2009	2008
Operating revenues		
Ministry of Justice and Attorney General	\$ 60,000	\$ 60,000
Queen's Printer	128	191
Operating expenditures		
Workers' Compensation Board	---	100

In addition, the Commission pays Provincial Sales Tax to the Ministry of Finance on all its taxable purchases. Taxes paid are recorded as a part of the cost of those purchases.

5. Law Foundation Grant

The Commission received a grant in 2008-09 from the Law Foundation of Saskatchewan for \$60,000 (2007-08 - \$60,000).